



SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

Current Report Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): **November 8, 2011**

**TWIN DISC, INCORPORATED**

(exact name of registrant as specified in its charter)

**WISCONSIN**  
(State or other jurisdiction  
of incorporation)

**001-7635**  
(Commission  
File Number)

**39-0667110**  
(IRS Employer  
Identification No.)

**1328 Racine Street**

**Racine, Wisconsin 53403**

(Address of principal executive offices)

Registrant's telephone number, including area code: **(262)638-4000**

[Missing Graphic Reference]

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 7.01 Regulation FD Disclosure**

The executive officers of Twin Disc intend to present materials at meetings with investors and analysts and at investor conferences on or after November 8, 2011. A copy of the presentation materials to be used at those meetings and from time to time thereafter is filed as Exhibit 99.1 hereto. The presentation materials will also be posted on the Company's website, [www.twindisc.com](http://www.twindisc.com). The Company does not intend to file any update of these presentation materials. The fact that these presentation materials are being furnished should not be deemed an admission as to the materiality of any information contained in the materials.

The information included in the presentation includes financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Company's management uses these non-GAAP measures in its analysis of the Company's performance. The Company believes that the presentation of certain non-GAAP measures provides useful supplemental information that is essential to a proper understanding of the operating results of the Company's core businesses. These non-GAAP disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.

The information in this Form 8-K being furnished under Item 7.01 shall not be deemed to be "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liabilities of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. The presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the Company's expectations and involve risks and uncertainties that could cause the Company's actual results to differ materially from those set forth in the statements. These risks are discussed in the Company's filings with the Securities and Exchange Commission, including an extensive discussion of these risks in the Company's Annual Report on Form 10-K for the year ended June 30, 2011.

**Item 9.01 Financial Statements and Exhibits**

(c) Exhibits

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EXHIBIT NUMBER	DESCRIPTION
99.1	Presentation Materials – 1st Quarter Fiscal 2012

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**SIGNATURE**

Pursuant to the requirements of section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 8, 2011

Twin Disc, Inc.

/s/THOMAS E. VALENTYN  
Thomas E. Valentyn  
General Counsel & Secretary

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Twin Disc, Incorporated





# Safe Harbor Statement

This presentation contains statements that are forward-looking within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. These statements are based on management's current expectations that are based on assumptions that are subject to risks and uncertainties. Actual results may vary because of variations between these assumptions and actual performance. Investors are referred to Twin Disc's fiscal year 2011 Annual Report and Form 10-K, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Forward-Looking Information," which outlines certain risks regarding the Company's forward-looking statements. Copies of the Company's SEC filings may be obtained from the SEC, and are available on Twin Disc's web site ([www.twindisc.com](http://www.twindisc.com)), or by request from the Investor Relations department at the Company.

# Twin Disc At A Glance



- Founded in 1918
- Headquartered in Racine, WI
- ≈941 employees (FYE '11)
- TTM Revenues of \$330M\*  
FY11 Revenues of \$310M  
FY10 Revenues of \$228M
- We are a global company
  - Well-known customers around the world
  - Mfg Operations in the U.S., Italy, Belgium, Switzerland and Japan (JV)
  - World-wide distributor network
  - Global: 59% of fiscal 2011 sales to international markets

\* See Appendix XI for reconciliation of TTM figures to reported figures.

# FY 2011 Financial Highlights

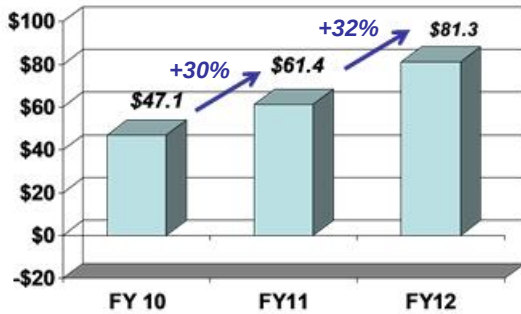
- Quarterly sequential sales & earnings improvement
  - Sales up over 36% vs. FY '10
  - Earnings up over \$18 million
- Key Markets
  - Oil & gas markets experienced strong growth in shipments and order backlog
  - Sales in the Pacific Rim continued strong, at record levels
  - Modest recovery in Mega Yacht and European markets off of fiscal '10 lows
  - Patrol boat business continued to expand
  - ARFF, Military and Commercial Marine were steady



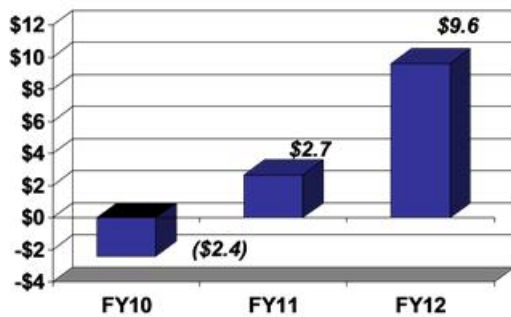


# Net Sales & Net Earnings (First Fiscal Quarter)

\$ millions



\$ millions



- Sales up 33%
  - Oil & gas markets strong
  - Most end markets showing growth
  - Record 6-month backlog at \$165 million
- \$9.6 million profit, up \$6.4 million
  - Record Diluted EPS of \$0.83
  - Record GM% of 37.8%



# Land-Based Products

- Industrial markets showing modest growth
  - Agriculture, irrigation, recycling and construction
- ARFF and Military holding steady
  - ARFF: Continue to increase market share with 'pump & roll' transmissions
- Oil & Gas markets picking up
  - Orders and sales increasing globally for 8500 & air clutches
  - New 7500 series



# Marine & Propulsion Systems

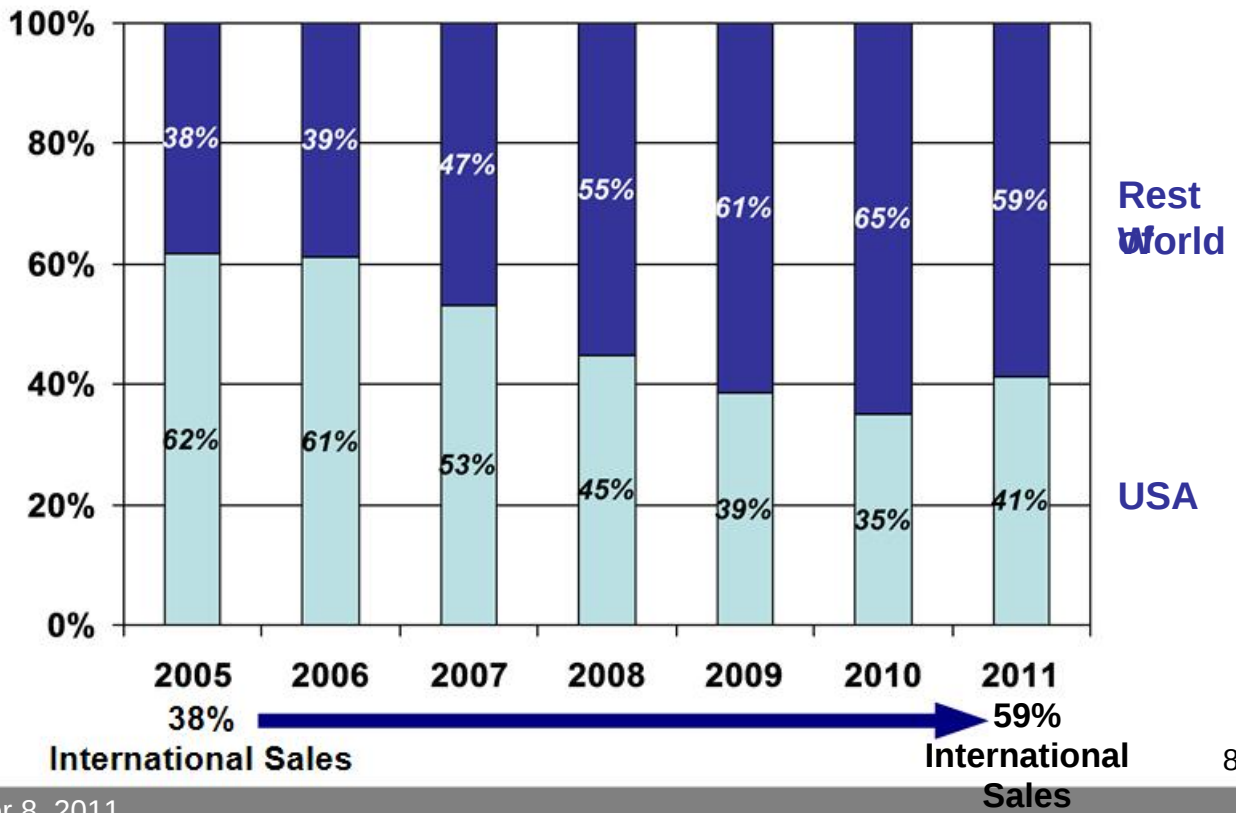
- Pleasure Craft market continues soft worldwide
  - However, building share of market with new technology
  - Modest growth in sales & backlog began in 2<sup>nd</sup> half of FY11
  - Cat announcements in Q1
- Work Boat market steady
  - Europe soft
  - North America picking up
  - Asia-Pacific continues to show positive long-term trends
- Patrol Boat market experiencing global growth
  - Asian market experiencing strong growth





# Corporate Profile - Geographic Diversity

## Sales (as a % of total sales)



# Managing Our Cost Structure

## CAPEX

- Investing in core competencies
- Expanding presence in low cost manufacturing locations
- Spent over \$77 million over past 7 yrs



# Managing Our Cost Structure



Low Cost

Lower Cost

Sourcing Offices

Corporate HQ/Mfg

Mfg locations



# What Differentiates Us?

- Technology

- Oil & Gas

- 8500 Series
- 7500 Series



- ARFF

- “Pump & Roll”

- Military

- “Legacy” Contracts

- Marine

- Patented QuickShift®
- Express Joystick System®



- Dynamic Positioning/DPII
- Rolla CFD

# What Differentiates Us?

- 93+ Years of Proven Application Know-How
- Niche Market Focus



- Global Distribution and Service Network
- Product/Market & Geographic Diversity
- Core Manufacturing Capabilities



# Looking Ahead

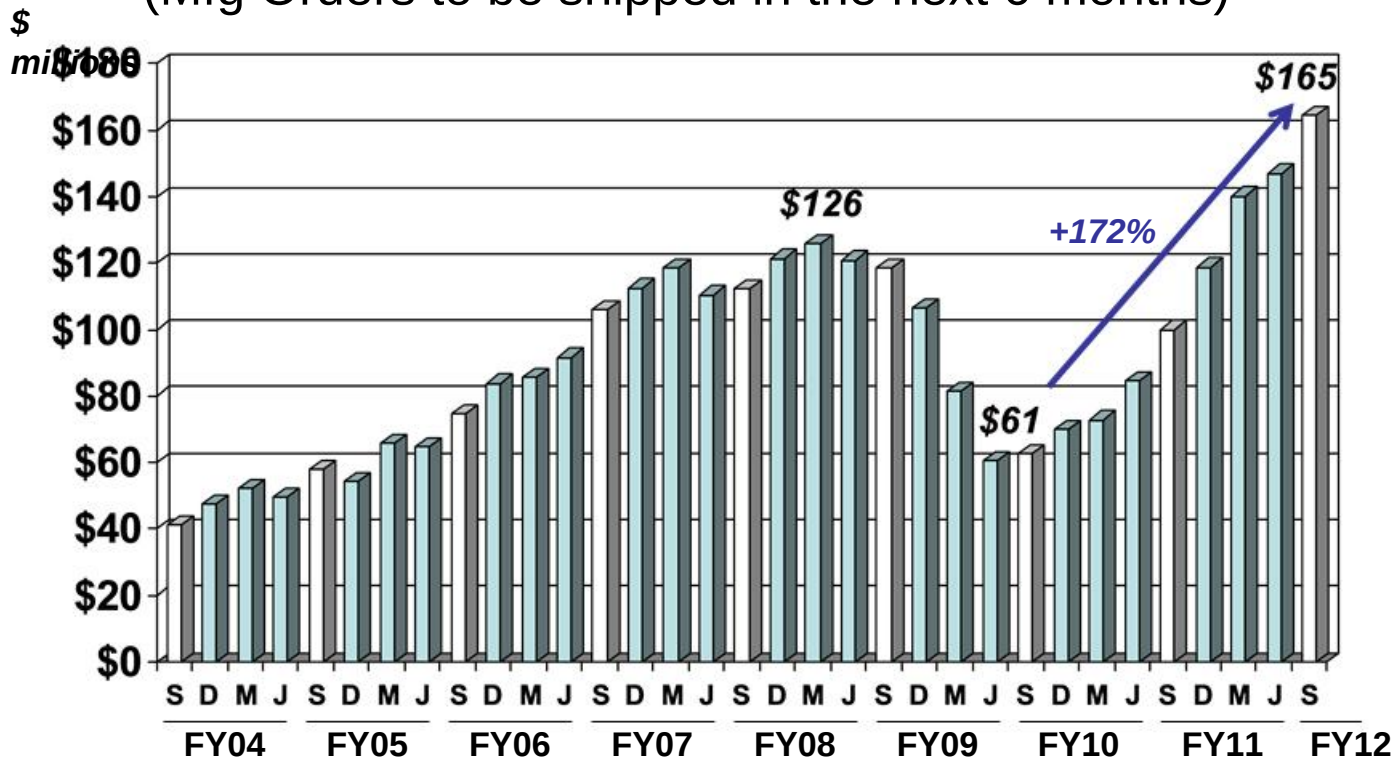
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# Corporate Six Month Backlog

(Mfg Orders to be shipped in the next 6 months)



# Fiscal Year 2012 Outlook

- FY 2012 will be another strong year
- Oil and Gas experiencing record demand
  - Continuing introduction of 7500 Series Transmission
- Marine markets will remain mixed
  - Pleasure Craft improving off of low base - EJS impact
  - Work Boat, despite US Gulf, showing improvement
  - Patrol Boat market is expanding
- Industrial, ARFF & Military showing modest growth
- Asian market continues at record levels; Europe is slow; while US (excluding Oil and Gas) is improving modestly



Twin Disc, Incorporated





# Appendices

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# Corporate Profile - Market Diversity

## Pleasure Craft Market:

- **Target Markets:** High speed planing and displacement yachts from 50' to 150', diesel-powered
- **Products:** Transmissions, Surface Drives, Propellers, Steering/Thruster/Trim Systems, Water Jets, Controls, EJS
- **Channels:** Engine OEMs & dealers, & boat builders
- **Customers:** CAT, CMD, MAN, MTU, Volvo / Azimuth, Baia, Ferretti, Maritimo, Palmer Johnson, Riviera, Sanlorenzo, Sunseeker
- **Competition:** ZF, Reintjes / Kamewa / Side Power, Ultraflex



# Corporate Profile - Market Diversity

## Work Boat Market:

- **Target Markets:** planing and displacement vessels from 30' to 250', diesel-powered
- **Products:** Transmissions, Propellers, MCD's, Water Jets, Controls
- **Channels:** Engine OEMs & dealers, boat builders & distribution
- **Customers:** CAT, Cummins, IVECO, Mitsubishi, Volvo / Damen / Sewart Supply (operators: Secor, Tidewater, Groupe Bourbon)
- **Competition:** ZF, Reintjes / Kamewa, Hamilton



19

# Corporate Profile - Market Diversity

## Patrol Boat Market:

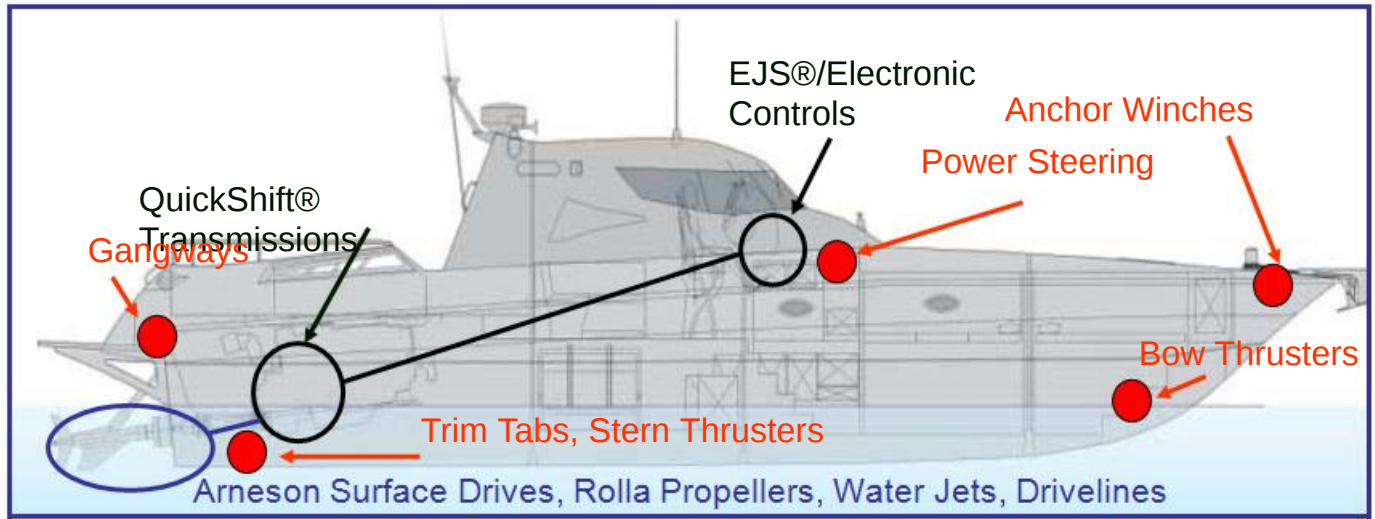
- *Target Markets:* military, patrol and coast guard vessels from 30' to 90', diesel-powered
- *Products:* Transmissions, Surface Drives, Propellers, Steering/Thruster/Trim Systems, Water Jets, Controls, EJS
- *Channels:* Engine OEMs & dealers, naval authorities & boat builders
- *Customers:* CAT, CMD, MAN, MTU, Volvo / Indian Navy/Coast Guard, Israeli Navy, Turkish Coast Guard, USCG, US Navy, RCMP
- *Competition:* ZF / Kamewa





# Corporate Profile - Market Diversity

## Marine Transmissions, Propulsion & Boat Management Systems



**We have been very successful “bundling” more marine products**

- Increasing content and value on each vessel
- Working directly with the shipyards
- Industry expert on vessel performance and handling



# Corporate Profile - Market Diversity

## Industrial Products:

- **Target Market:** Heavy duty industrial disconnect applications
- **Products:** Mechanical & hydraulic clutches, PTOs & pump mount drives, 100 - 2,500 HP
- **Channels:** Distribution & OEMs
- **Customers:** Bandit, Morbark, Peterson Pacific / OEM engine dealers
- **Competitors:** Funk, NACD, PT Tech, Stibel, Transfluid, WPT



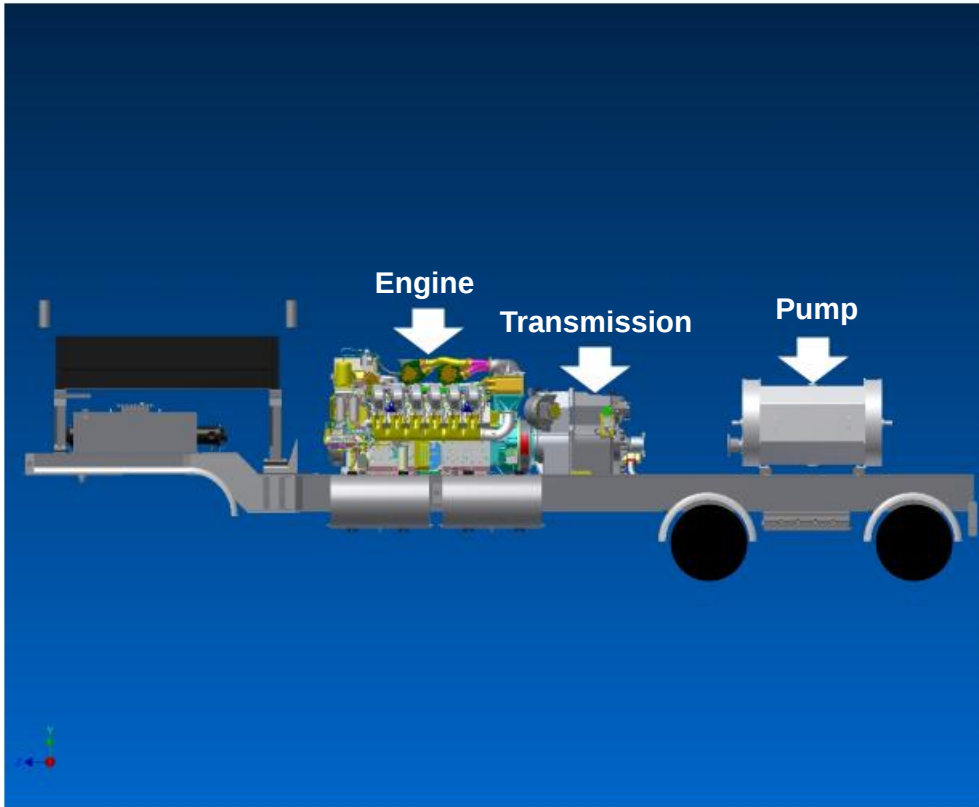
# Corporate Profile - Market Diversity

## Industrial Transmissions:

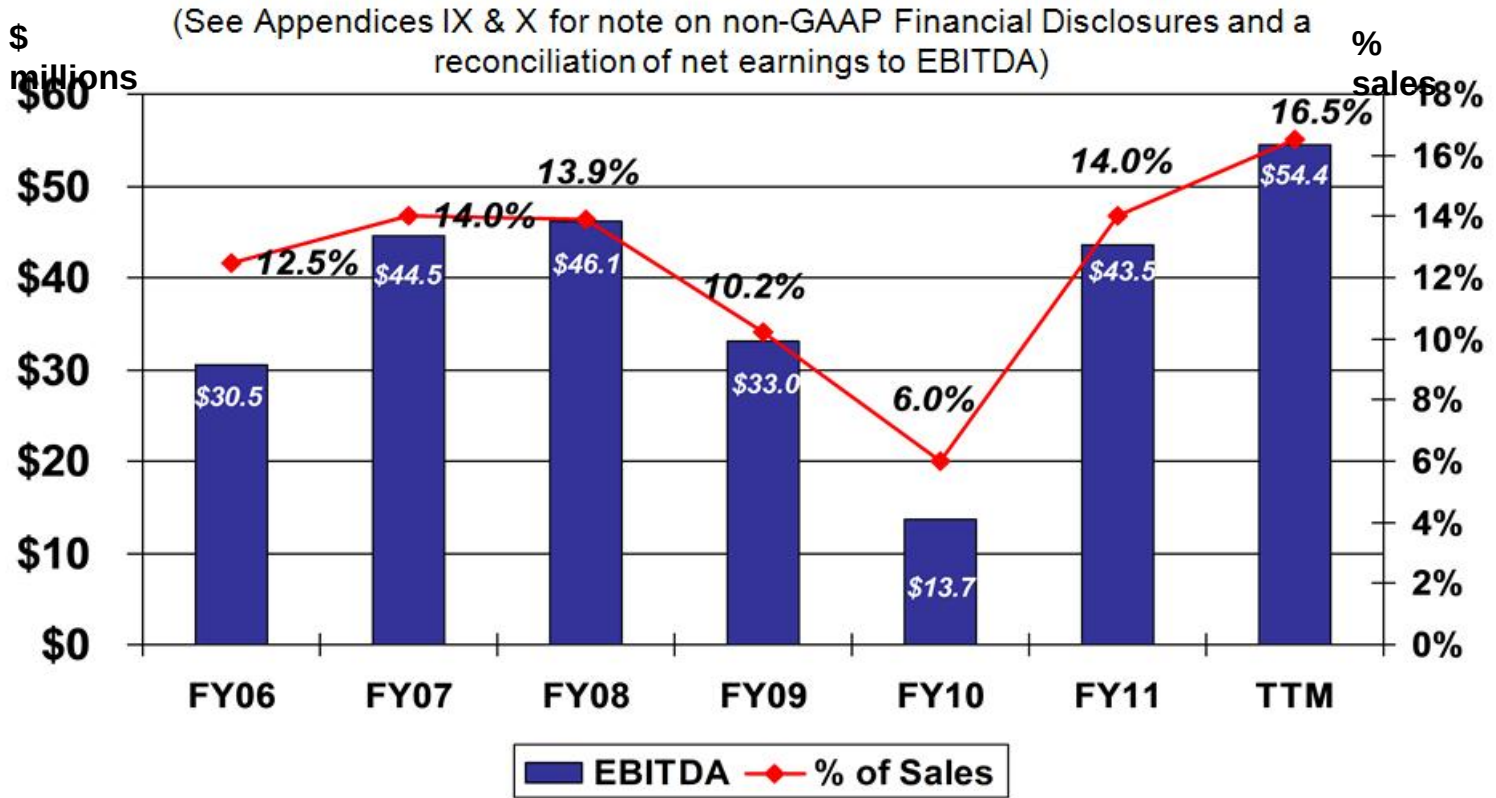
- *Target Market:* Off-highway and all-terrain specialty vehicles, diesel powered
- *Products:* Powertrain components - 400 to 3,000 HP
- *Channel:* OEM vehicle mfrs.
- *Customers:* BAE, Rosenbauer, Oshkosh, Tatra / BJ Services, Cisco High-Lift, Crown Energy, Enerflo, Fractec, MG Bryan, Trican, Tai'an, Zoomlion
- *Competitors:* Allison, Cat



# Frac Rig Diagram



## EBITDA



\* See Appendix XI for reconciliation of TTM figures to reported figures.



## Non-GAAP Financial Disclosures

### Non-GAAP Financial Disclosures

Financial information excluding the impact of certain significant items in this presentation are not measures that are defined in U.S. Generally Accepted Accounting Principles ("GAAP"). These items are measures that management believes are important to adjust for in order to have a meaningful comparison to prior and future periods and to provide a basis for future projections and for estimating our earnings growth prospects. Non-GAAP measures are used by management as a performance measure to judge profitability of our business absent the impact of foreign currency exchange rate changes and acquisitions. Management analyzes the company's business performance and trends excluding these amounts. These measures, as well as EBITDA, provide a more consistent view of performance than the closest GAAP equivalent for management and investors. Management compensates for this by using these measures in combination with the GAAP measures. The presentation of the non-GAAP measures in this presentation are made alongside the most directly comparable GAAP measures.

### Definition - Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

The sum of, net earnings and adding back provision for income taxes, interest expense, depreciations and amortization expenses: this is a financial measure of the profit generated excluding the above mentioned items.



## Reconciliation of Net Earnings to EBITDA

<i>in \$ thousands, except % data</i>	<b>TTM</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Net Earnings</b>	<b>\$ 25,755</b>	<b>\$ 18,830</b>	<b>\$ 597</b>	<b>\$ 11,502</b>	<b>\$ 24,252</b>	<b>\$ 21,852</b>	<b>\$ 14,453</b>
Income Taxes	16,767	13,064	992	6,257	10,904	12,273	8,470
Interest Expense	1,639	1,719	2,282	2,487	3,038	3,154	1,718
Depreciation & Amortization	10,205	9,904	9,817	9,774	7,881	7,252	5,866
<b>Earnings before interest, taxes, depreciation and amortization</b>	<b>\$ 54,366</b>	<b>\$ 43,517</b>	<b>\$ 13,688</b>	<b>\$ 30,020</b>	<b>\$ 46,075</b>	<b>\$ 44,531</b>	<b>\$ 30,507</b>
<b>Net Sales</b>	<b>\$ 330,328</b>	<b>\$ 310,393</b>	<b>\$ 227,534</b>	<b>\$ 295,618</b>	<b>\$ 331,694</b>	<b>\$ 317,200</b>	<b>\$ 243,287</b>
<b>EBITDA as a % of Sales</b>	<b>16.5%</b>	<b>14.0%</b>	<b>6.0%</b>	<b>10.2%</b>	<b>13.9%</b>	<b>14.0%</b>	<b>12.5%</b>

\* See Appendix XI for reconciliation of TTM figures to reported figures.



## Reconciliation of TTM Data to Reported Quarterly Figures

	<b>FY 10**</b>	<b>Q1 11*</b>	<b>Q2 11*</b>	<b>Q3 11*</b>	<b>Q4 11*</b>	<b>FY 11</b>	<b>Q1 12*</b>	<b>TTM</b>
Sales	\$ 227,534	\$61,395	\$75,160	\$76,471	\$97,367	\$ 310,393	\$81,330	\$ 330,328
Gross Profit	60,465	20,023	23,757	27,782	36,121	107,683	30,768	118,428
Operating Income	3,085	5,246	5,118	10,728	13,624	34,716	14,859	44,329
Interest Exp	2,282	439	440	430	410	1,719	359	1,639
Net Earnings	597	2,656	4,034	4,548	7,592	18,830	9,581	25,755
EPS, Diluted	\$ 0.05	\$ 0.24	\$ 0.35	\$ 0.40	\$ 0.66	\$ 1.64	\$ 0.83	\$ 2.24
EPS, Basic	\$ 0.05	\$ 0.24	\$ 0.36	\$ 0.40	\$ 0.67	\$ 1.66	\$ 0.84	\$ 2.27
CAPEX	4,456	1,247	1,668	1,184	7,929	12,028	3,587	14,368
Deprec.	9,817	2,272	2,346	2,365	2,921	9,904	2,573	10,205
Oper Cash Flow	35,116	3,503	4,980	(4,417)	9,794	13,860	(1,196)	9,161
Dividends	3,133	792	794	908	917	3,411	914	3,533
								-
Pretax Income	1,722	4,253	4,589	10,105	13,082	32,029	14,894	42,670
Taxes	992	1,556	529	5,563	5,416	13,064	5,259	16,767

\* Quaterly Data is from the Company's unaudited quarterly Form 10-Q filings with the SEC.

\*\* Annual Data is from the Company's audited Form 10-K filing with the SEC.



## Fiscal Year Condensed Consolidated Statements of Operations

(\$ thousands, per Form 10-K)	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Sales</b>	<b>\$ 310,393</b>	<b>\$ 227,534</b>	<b>\$ 295,618</b>	<b>\$ 331,694</b>	<b>\$ 317,200</b>
<b>Gross Profit</b>	<b>107,683</b> <b>34.7%</b>	<b>60,465</b> <b>26.6%</b>	<b>81,443</b> <b>27.6%</b>	<b>104,868</b> <b>31.6%</b>	<b>102,909</b> <b>32.4%</b>
<b>MEA Expense</b>	<b>72,713</b> <b>23.4%</b>	<b>56,886</b> <b>25.0%</b>	<b>60,470</b> <b>20.5%</b>	<b>66,349</b> <b>20.0%</b>	<b>63,267</b> <b>19.9%</b>
<b>Restructuring</b>	<b>254</b>	<b>494</b>	<b>1,188</b>	<b>(373)</b>	<b>2,652</b>
<b>Interest Expense</b>	<b>1,719</b>	<b>2,282</b>	<b>2,487</b>	<b>3,038</b>	<b>3,154</b>
<b>Misc. Exp/(Inc)</b>	<b>968</b>	<b>(919)</b>	<b>(747)</b>	<b>606</b>	<b>(493)</b>
<b>Pretax Earnings</b>	<b>32,029</b>	<b>1,722</b>	<b>18,045</b>	<b>35,248</b>	<b>34,329</b>
<b>Income Taxes</b>	<b>13,064</b>	<b>992</b>	<b>6,257</b>	<b>10,904</b>	<b>12,273</b>
<b>Minority Interest</b>	<b>(135)</b>	<b>(133)</b>	<b>(286)</b>	<b>(92)</b>	<b>(204)</b>
<b>Net Earnings</b>	<b>\$ 18,830</b>	<b>\$ 597</b>	<b>\$ 11,502</b>	<b>\$ 24,252</b>	<b>\$ 21,852</b>
<b>EBITDA</b>	<b>\$ 43,517</b>	<b>\$ 13,688</b>	<b>\$ 33,020</b>	<b>\$ 46,075</b>	<b>\$ 44,531</b>
<b>DILUTED EPS</b>	<b>\$ 1.64</b>	<b>\$ 0.05</b>	<b>\$ 1.03</b>	<b>\$ 2.13</b>	<b>\$ 1.84</b>

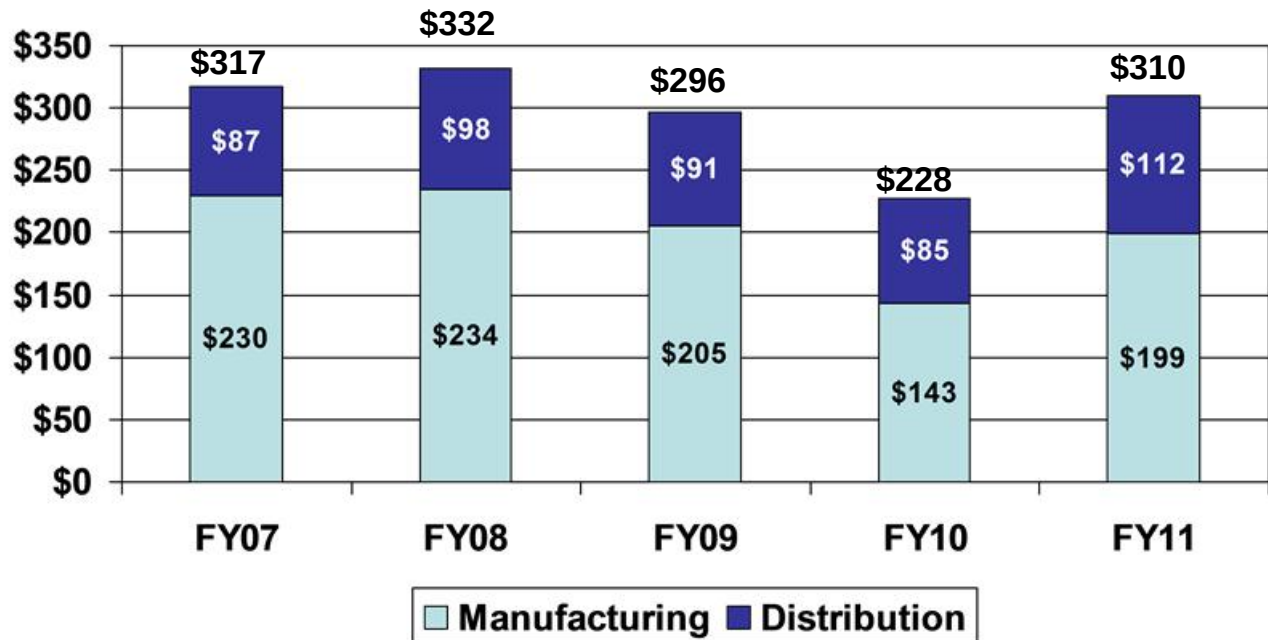


## 1<sup>st</sup> Fiscal Qtr Condensed Consolidated Statements of Operations

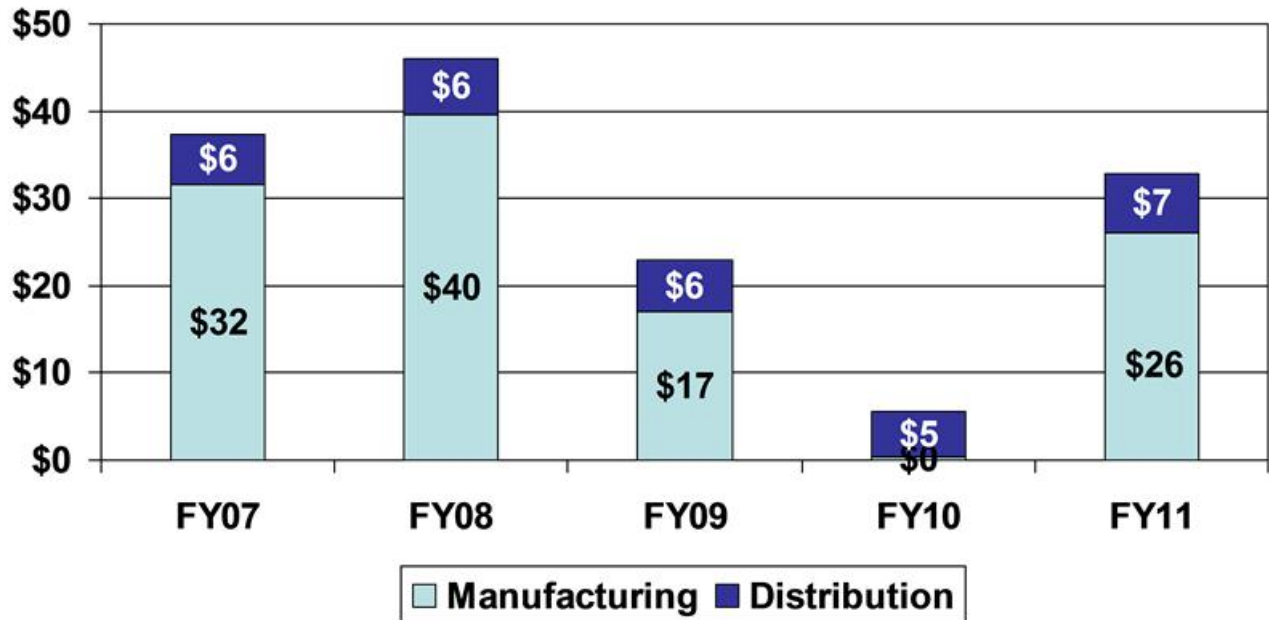
(\$ thousands, unaudited)	2012	2011	2010	2009	2008
<b>Sales</b>	\$ 81,330	\$ 61,395	\$ 47,057	\$ 72,671	\$ 73,613
<b>Gross Profit</b>	30,768 37.8%	20,023 32.6%	9,747 20.7%	20,072 27.6%	23,851 32.4%
<b>MEA Expense</b>	15,909 19.6%	14,777 24.1%	12,778 27.2%	16,318 22.5%	14,694 20.0%
<b>Interest Expense</b>	359	439	619	597	744
<b>Misc. Exp/(Inc)</b>	(394)	554	60	(820)	(5)
<b>Pretax Earnings</b>	14,894	4,253	(3,710)	3,977	8,418
<b>Income Taxes</b>	5,259	1,556	(1,398)	1,353	3,237
<b>Minority Interest</b>	(54)	(41)	(92)	(159)	(75)
<b>Net Earnings</b>	\$ 9,581	\$ 2,656	\$ (2,404)	\$ 2,465	\$ 5,106
<b>EBITDA</b>	\$ 17,772	\$ 6,923	\$ (808)	\$ 6,814	\$ 10,842
<b>EBITDA as % of Sales</b>	22%	11%	-2%	9%	15%
<b>DILUTED EPS</b>	\$ 0.83	\$ 0.24	\$ (0.22)	\$ 0.22	\$ 0.44

30

## Historical Net Sales by Segment



### Historical Net Earnings by Segment (before Corporate Expense)





## Express Joystick System® in Action



Go to <http://www.twindisc.com/MarineProducts/EJS.html> to see the new revolutionary Twin Disc Express Joystick System® in action.



Twin Disc, Incorporated



